

TITLE 38: FINANCIAL INSTITUTIONS  
CHAPTER II: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

PART 345  
BANK COMMUNITY REINVESTMENT

SUBPART A: GENERAL

Section

345.10 Authority, Purposes, and Scope  
345.20 Definitions

SUBPART B: STANDARDS OF ASSESSING PERFORMANCE

Section

345.200 Assessment Factors  
345.210 Performance Tests, Standards, and Ratings, in General  
345.220 Lending Test  
345.230 Investment Test  
345.240 Service Test  
345.250 Community Development Test for Wholesale or Limited Purpose Banks  
345.260 Small Bank Performance Standards  
345.270 Strategic Plan  
345.280 Assigned Ratings  
345.290 Effect of ILCRA Performance on Applications

SUBPART C: RECORDS, REPORTING, AND DISCLOSURE REQUIREMENTS;  
EXAMINATIONS

Section

345.400 Assessment Area Delineation  
345.410 Data Collection, Reporting, and Disclosure  
345.420 Content and Availability of Public File  
345.430 Public Notice by Banks  
345.440 Publication of Planned Examination Schedule  
345.450 Alternative Examination Procedures  
345.460 Examination Authority and Cooperation  
345.470 Examination Frequency and Coordination  
345.480 Examination Fees  
345.490 Implementation Period  
345.500 Enforcement

345.APPENDIX A Ratings

345.APPENDIX B ILCRA Notice

AUTHORITY: Implementing and authorized by the Illinois Community Reinvestment Act [205 ILCS 735].

SOURCE: Adopted at 47 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

SUBPART A: GENERAL

**Section 345.10 Authority, Purposes, and Scope**

- a) The Illinois Community Reinvestment Act (ILCRA) [205 ILCS 735] authorizes this Part.
- b) Purposes. This Part is intended to carry out the purposes of the Illinois Community Reinvestment Act (ILCRA) by establishing the framework and criteria by which the Secretary assesses the ILCRA record of a bank, as defined by Section 345.10. Without limiting the aforementioned purpose, specific purposes of this Part include:
  - 1) Establishment of rules pursuant to Section 35-10(b) of the ILCRA, which requires that this Part incorporate federal rules promulgated under the federal Community Reinvestment Act [12 U.S.C. 2901; see also 12 CFR 345]. Specifically, Section 35-10(b) of the ILCRA states, in relevant part: *To assist in carrying out this Act, the Secretary shall adopt rules incorporating the regulations applicable to covered financial institutions under federal law, and the Secretary may make such adjustments and exceptions thereto as are deemed necessary.*
  - 2) Accordingly, this Part
    - i) may include references to federal statutes or administrative rules established pursuant to the federal Community Reinvestment Act; and
    - ii) except where this Subpart makes adjustments or exceptions to the federal rules established pursuant to the federal Community Reinvestment Act or where inconsistent with the ILCRA or this Subpart, this Subpart shall be construed and interpreted consistently with the appropriate federal financial supervisory agency's construction and interpretation of the federal rules.
  - 3) Establishment of rules as required by Section 35-10(c) of the ILCRA.

- 87  
88 4) Establishment of rules as the Secretary may deem appropriate as  
89 authorized by the Act under Section 35-15(a), Section 35-35, or otherwise.  
90 These rules shall be liberally construed to effectuate their purpose.

91  
92 c) Scope –

- 93  
94 1) General. Except for certain special purpose banks described in subsection  
95 (c)(3), this Part applies to all State banks and savings banks.  
96  
97 2) Foreign Bank Corporations. In the case of banking offices of a foreign  
98 banking corporation, as defined in Section 2 of the Foreign Banking  
99 Office Act [205 ILCS 645/2], references in this Part to "main office" mean  
100 the principal branch within the State and the term "branch" or "branches"  
101 refers to any branch or branches located within the State. The "assessment  
102 area" of a banking office is the community or communities located within  
103 the State served by the branch as described in Section 345.400.  
104  
105 3) Certain special purpose banks. This Part does not apply to special purpose  
106 banks that do not perform commercial or retail banking services by  
107 granting credit to the public in the ordinary course of business, other than  
108 as incident to their specialized operations. These banks include banker's  
109 banks, as defined in Section 5c of the Illinois Banking Act [205 ILCS  
110 5/5c], and banks that engage only in one or more of the following  
111 activities: providing cash management controlled disbursement services or  
112 serving as correspondent banks, trust companies, or clearing agents.  
113

114 **Section 345.20 Definitions**

115  
116 For purposes of this Part, the following definitions apply:

117  
118 "Affiliate" means any company that controls, is controlled by, or is under  
119 common control with another company. The term "control" has the meaning  
120 given to that term in 12 U.S.C. 1841(a)(2), and a company is under common  
121 control with another company if both companies are directly or indirectly  
122 controlled by the same company.  
123

124 "Alternative financial products or services" means financial products or services  
125 offered by persons other than an insured depository institution at a higher cost  
126 than comparable services offered by an insured depository institution.  
127

128 "Area median income" means:  
129

the median family income for the Metropolitan Statistical Area (MSA), if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or

the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

"Assessment area" means a geographic area delineated in accordance with Section 345.400.

"Remote Service Facility (RSF)" means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank, such as an automated teller machine, cash dispensing machine, point-of-sale terminal, or other remote electronic facility, at which deposits are received, cash dispersed, or money lent.

"Bank" means a bank that has a charter issued under the Illinois Banking Act [205 ILCS 5], a savings bank that has a charter issued under the Savings Bank Act [205 ILCS 205], and a banking office of a foreign banking corporation issued a certificate of authority under the Foreign Banking Office Act [205 ILCS 645] and, as applicable under this Part, any affiliates thereof.

"Branch" means a staffed banking facility defined as a branch under Section 2 of the Illinois Banking Act [205 ILCS 5/2] or Section 1007.20 of the Illinois Savings Bank Act [205 ILCS 205/1007.20], and a branch of a banking office of a foreign banking corporation issued a certificate of authority under the Foreign Banking Office Act [205 ILCS 645], whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

"Community development" means:

Affordable housing (including multifamily rental housing) for low- or moderate-income individuals;

Community services targeted to low- or moderate-income individuals;

Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or

Activities that revitalize or stabilize –

Low-or moderate-income geographies;

Designated disaster areas;

Distressed or underserved nonmetropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, FDIC, and Office of the Comptroller of the Currency, based on –

Rates of poverty, unemployment, and population loss; or

Population size, density, and dispersion. Activities revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals; or

Unbanked or underbanked geographies.

Activities targeted to directly and tangibly –

Increase climate resilience in low-income to moderate-income neighborhoods; or

Mitigate environmental harm in low-income to moderate-income neighborhoods.

"Community development loan" means a loan that:

Has as its primary purpose community development; and

Except in the case of a wholesale or limited purpose bank:

Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless the loan is for a multifamily dwelling (as defined in 12 CFR 1003.2(n)); and

Benefits the bank's assessment area or a broader statewide or regional area that includes the bank's assessment area.

"Community development service" means a service that:

Has as its primary purpose community development;

Is related to the provision of financial services; and

Has not been considered in the evaluation of the bank's retail banking services under Section 345.240(d).

"Consumer loan" means a loan to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. Consumer loans include the following categories of loans:

Motor vehicle loan, which is a consumer loan extended for the purchase of and secured by a motor vehicle;

Credit card loan, which is a line of credit for household, family, or other personal expenditures that is accessed by a borrower's use of a "credit card," as this term is defined in 12 CFR 1026.2;

Other secured consumer loan, which is a secured consumer loan that is not included in one of the other categories of consumer loans; and

Other unsecured consumer loan, which is an unsecured consumer loan that is not included in one of the other categories of consumer loans.

"Department" means the Illinois Department of Financial and Professional Regulation.

Disparity Study means a study conducted by or on behalf of the Department pursuant to Section 345.210(g).

"Geography" means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

"Home mortgage loan" means a closed-end mortgage loan or an open-end line of credit as these terms are defined under Section 1003.2 and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (10) and (13).

"Income level" includes:

Low-income, which means an individual income that is less than 50 percent of the area median income or a median family income that is less than 50 percent in the case of a geography.

Moderate-income, which means an individual income that is at least 50 percent and less than 80 percent of the area median income or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Middle-income, which means an individual income that is at least 80 percent and less than 120 percent of the area median income or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Upper-income, which means an individual income that is 120 percent or more of the area median income or a median family income that is 120 percent or more in the case of a geography.

"Limited purpose bank" means a bank that offers only a narrow product line (such as credit card or motor vehicle loans) to a regional or broader market and for which a designation as a limited purpose bank is in effect, in accordance with Section 345.250(b).

"Loan location". A loan is located as follows:

A consumer loan is located in the geography where the borrower resides;

A home mortgage loan is located in the geography where the property to which the loan relates is located; and

A small business or small farm loan is located in the geography where the main business facility or farm is located or where the loan proceeds otherwise will be applied, as indicated by the borrower.

"Loan production office" means a staffed facility of a bank, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

"Metropolitan division" means a metropolitan division as defined by the United States Director of the Office of Management and Budget.

"Metropolitan Statistical Area (MSA)" means a metropolitan statistical area as defined by the United States Director of the Office of Management and Budget.

"Nonmetropolitan area" means any area that is not located in an MSA.

Protected Characteristic means any basis for which discrimination is prohibited by a law for which a bank is examined for compliance under this Part, including but not limited to, under the Illinois Human Rights Act for example, race, color, religion, national origin, ancestry, age, sex, marital status, order of protection status, disability, military status, sexual orientation, pregnancy, or unfavorable discharge from military service.

"Qualified investment" means a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

"Small Bank" means a bank that is a small bank under federal administrative rules established by the bank's primary federal financial supervisory agency pursuant to the federal Community Reinvestment Act and an intermediate small bank means a bank that is an intermediate small bank under federal administrative rules established by the bank's primary federal financial supervisory agency pursuant to the federal Community Reinvestment Act.

"Small business loan" means a loan included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income [Federal Financial Institution Examination Council (FFIEC) 031 and 041].

"Small farm loan" means a loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income [FFIEC 031 and 041].

Special credit program means any credit program offered by a bank to meet special social needs which is in conformity with and explicitly authorized by the Equal Credit Opportunity Act, 15 U.S.C. § 1691(c) and Regulation B, 12 C.F.R. § 1002.8.

"Unbanked person" means an individual that does not have a checking or savings account with an insured depository institution.

"Underbanked person" means an individual that has a checking or saving account with an insured depository institution but that used financial products or services from a person other than an insured depository institution in the past 12 months.

"Wholesale bank" means a bank that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers, and



for which a designation as a wholesale bank is in effect, in accordance with Section 345.250(b).

## SUBPART B: STANDARDS OF ASSESSING PERFORMANCE

### Section 345.200 Assessment Factors

As used in this Part, “assessment factors” means the assessment of the following factors to determine whether a bank is meeting the financial services needs of local communities:

- a) activities to ascertain the financial services needs of the community, including communication with community members regarding the financial services provided;
- b) extent of marketing to make members of the community aware of the financial services offered;
- c) origination of mortgage loans including, but not limited to, home improvement and rehabilitation loans, and other efforts to assist existing low-income and moderate-income resident to be able to remain in affordable housing in their neighborhoods;
- d) for small business lenders, the origination of loans to businesses with gross annual revenues of \$1,000,000.00 or less, particularly those in low-income and moderate-income neighborhoods;
- e) participation, including investments, in community development and redevelopment programs, small business technical assistance programs, minority-owned depository institutions, community development financial institutions, and mutually owned financial institutions;
- f) efforts working with delinquent customers to facilitate a resolution of the delinquency;
- g) origination of loans that show an under concentration and a systemic pattern of lending resulting in the loss of affordable housing units;
- h) evidence of discriminatory and prohibited practices; and
- i) offering retail banking services to unbanked and underbanked persons.

### Section 345.210 Performance Tests, Standards, and Ratings, in General

- a) Performance tests and standards. The Secretary assesses the ILCRA performance of a bank in an examination as follows:
  - 1) Lending, investment, and service tests. The Secretary applies the assessment factors, as provided in Section 345.200, and lending, investment, and service tests, as provided in Section 345.220 through 345.240, in evaluating the performance of a bank, except as provided in subsections (a)(2), (a)(3), and (a)(4).
  - 2) Community development test for wholesale or limited purpose banks. The Secretary applies the community development test for a wholesale or limited purpose bank, as provided in Section 345.250, except as provided in subsection (a)(4).
  - 3) Small bank performance standards. The Secretary applies the small bank performance standards as provided in Section 345.260 in evaluating the performance of a small bank or a bank that was a small bank during the prior calendar year, unless the bank elects to be assessed as provided in subsections (a)(1), (a)(2), or (a)(4). The bank may elect to be assessed as provided in subsection (a)(1) only if it collects and reports the data required for other banks under Section 345.410.
  - 4) Strategic plan. The Secretary evaluates the performance of a bank under a strategic plan if the bank submits, and the Secretary approves, a strategic plan as provided in Section 345.270.
- b) Performance context. The Secretary applies the tests and standards in subsection (a) and also considers whether to approve a proposed strategic plan in the context of:
  - 1) Demographic data on median income levels, distribution of household income, nature of housing stock, housing costs, and other relevant data pertaining to a bank's assessment area;
  - 2) Any information about lending, investment, and service opportunities in the bank's assessment area maintained by the bank or obtained from community organizations, state, local, and tribal governments, economic development agencies, or other sources;
  - 3) The bank's product offerings and business strategy as determined from data provided by the bank;

- 4) Institutional capacity and constraints, including the size and financial condition of the bank, the economic climate (national, regional, and local), safety and soundness limitations, and any other factors that significantly affect the bank's ability to provide lending, investments, or services in its assessment area;
  - 5) The bank's past performance and the performance of similarly situated lenders;
  - 6) The bank's public file, as described in Section 345.420, and any written comments about the bank's ILCRA performance submitted to the bank or the Secretary;
  - 7) The bank's public file, as described in 12 CFR 345.43, and any written comments about the bank's federal Community Reinvestment Act performance submitted to the bank or its federal regulator; and
  - 8) Any other information deemed relevant by the Secretary.
- c) Assigned ratings. The Secretary assigns to a bank one of the following four ratings pursuant to Section 345.280 and 345.APPENDIX A: "outstanding"; "satisfactory"; "needs to improve"; or "substantial noncompliance" as provided in Section 35-15(c) of the ILCRA. The rating assigned by the Secretary reflects the bank's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the bank.
- d) Safe and sound operations. This Part and the ILCRA do not require a bank to make loans or investments or to provide services that are inconsistent with safe and sound operations. To the contrary, the Secretary anticipates banks can meet the standards of this Part with safe and sound loans, investments, and services on which the banks expect to make a profit. Banks are permitted and encouraged to develop and apply flexible underwriting standards for loans that benefit low- or moderate-income geographies or individuals, only if consistent with safe and sound operations.
- e) Low-cost education loans provided to low-income borrowers. In assessing and taking into account the record of a bank under this Part, the Secretary considers, as a factor, low-cost education loans originated by the bank to borrowers, particularly in its assessment area, who have an individual income that is less than 50 percent of the area median income. For purposes of this subsection, "low-cost education loans" means any education loan, as defined in section 140(a)(7) of the Truth in Lending Act (15 U.S.C. 1650(a)(7)) (including a loan under a state or

local education loan program), originated by the bank for a student at an "institution of higher education", as that term is generally defined in sections 101 and 102 of the Higher Education Act of 1965 (20 U.S.C. 1001 and 1002) and the implementing regulations published by the U.S. Department of Education, with interest rates and fees no greater than those of comparable education loans offered directly by the U.S. Department of Education. Such rates and fees are specified in section 455 of the Higher Education Act of 1965 (20 U.S.C. 1087e).

- f) Activities in cooperation with minority- or women-owned financial institutions and low-income credit unions. In assessing and taking into account the record of a nonminority-owned and nonwomen-owned bank under this Part, the Secretary considers as a factor capital investment, loan participation, and other ventures undertaken by the bank in cooperation with minority- and women-owned financial institutions and low-income credit unions, and the Secretary may consider favorably whether the minority- and women-owned financial institutions and low-income credit unions are organized under the laws of Illinois and/or are mutually-owned. Such activities must help meet the credit needs of local communities in which the minority- and women-owned financial institutions and low-income credit unions are chartered. To be considered, such activities need not also benefit the bank's assessment area or the broader Statewide or regional area that includes the bank's assessment area.
- g) Disparity Study. The Secretary may retain qualified persons to design and conduct a study to prepare and report findings and conclusions to the Secretary (1) to identify and describe geographies in Illinois exhibiting significant disparities by race or other protected characteristics in access to relevant financial products or services, and (2) to develop methods and procedures to identify policies, procedures, patterns, or practices that have disparate impact or discriminatory effects. Following the publication of this study, the Secretary may incorporate the findings, conclusions and other results from the study into the examination process.
- h) Examples of Community Development. Examples of services, programs, sponsorships, donations, lawful investments, deposits, membership shares, grants, and other activities which may be deemed to have the primary purpose of community development include, but are not limited to the following:
  - 1) Establishment of or material support of charitable donation accounts and donor advised funds that benefit charitable organizations which help meet the financial services needs of low-income and moderate-income neighborhoods or individuals within the credit union's assessment area;

- 2) Establishment of or material support of foundations and other affiliated companies that provide programs and services to meet the credit needs of low-income to moderate- income neighborhoods;
- 3) Offering products and services targeted to expand access to safe and affordable banking services;
- 4) Provision or support of community development services that directly and tangibly benefit the assessment area;
- 5) Offering products and services and/or provision of investments targeted to directly and tangibly increase climate resilience in low-income to moderate- income neighborhoods;
- 6) Offering products and services and or provision of investments targeted to directly and tangibly mitigate environmental harm in low-income to moderate- income neighborhoods;
- 7) Participating in Invest in Illinois or other similar state or federal programs which have the primary purpose of community development; and
- 8) Participating in an activity listed on the Office of the Comptroller of the Currency's CRA Illustrative List of Qualifying Activities (May 20, 2020).

#### **Section 345.220 Lending Test**

##### **a) Scope of test.**

- 1) The lending test evaluates a bank's record of helping to meet the credit needs of its assessment area through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the Secretary will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured loans. In addition, at a bank's option, the Secretary will evaluate one or more categories of consumer lending, if the bank has collected and maintained, as required in Section 345.410(c)(1), the data for each category that the bank elects to have the Secretary evaluate.
- 2) The Secretary considers originations and initial purchases of loans. The Secretary will also consider any other loan data the bank may choose to

provide, including data on loans outstanding, commitments and letters of credit.

- 3) A bank may ask the Secretary to consider loans originated or purchased by consortia in which the bank participates or by third parties in which the bank has invested only if the loans meet the definition of community development loans and only in accordance with subsection (d). The Secretary will not consider these loans under any criterion of the lending test except the community development lending criterion.

- b) Performance criteria. The Secretary evaluates a bank's lending performance considering the assessment factors in Section 345.200 and pursuant to the following criteria:

- 1) Lending activity. The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) Geographic distribution. The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
  - A) The proportion of the bank's lending in the bank's assessment area;
  - B) The dispersion of lending in the bank's assessment area;
  - C) The number and amount of loans in low-, moderate-, middle-, and upper-income geographies in the bank's assessment area; and
  - D) The number and amount of loans in areas, if any, identified as exhibiting significant disparities by race or other protected characteristics in access to loans by a Disparity Study incorporated into the examination process under section 345.210(g).
- 3) Borrower characteristics. The distribution, particularly in the bank's assessment area, of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
  - A) Home mortgage loans to low-, moderate-, middle-, and upper-income individuals;

- 598 B) Small business and small farm loans to businesses and farms with  
599 gross annual revenues of \$1 million or less;  
600
- 601 C) Small business and small farm loans by loan amount at origination;  
602
- 603 D) Consumer loans, if applicable, to low-, moderate-, middle-, and  
604 upper-income individuals; and  
605
- 606 E) Home mortgage, small business, small farm, and consumer loans,  
607 if applicable, to members of identified racial or other groups in  
608 areas, if any, identified as exhibiting significant disparities by race  
609 or other protected characteristics in access to loans by a Disparity  
610 Study incorporated into the examination process under section  
611 345.210(g).  
612
- 613 4) Community development lending. The bank's community development  
614 lending, including the number and amount of community development  
615 loans, and their complexity and innovativeness, as well as the bank's  
616 community development lending performance in areas, if any, identified  
617 as exhibiting significant disparities by race or other protected  
618 characteristics in access to community development loans by a Disparity  
619 Study incorporated into the examination process under section 345.210(g);  
620 and  
621
- 622 5) Innovative or flexible lending practices. The bank's use of innovative or  
623 flexible lending practices in a safe and sound manner to address the credit  
624 needs of low- or moderate-income individuals or geographies. Such  
625 lending practices may include efforts working with delinquent customers  
626 to facilitate a resolution of the delinquency, in which case the bank shall  
627 maintain written loss mitigation/workout policies and procedures. In  
628 assessing performance pursuant to this Part, the Secretary shall consider  
629 whether a bank offers special credit programs. The bank must be able to  
630 show that the program will fall under any of the following: (1) any credit  
631 assistance program expressly authorized by federal or state law for the  
632 benefit of an economically disadvantaged class of persons; (2) any credit  
633 assistance program offered by a not-for-profit organization for the benefit  
634 of its members or an economically disadvantaged class of persons; or (3)  
635 any special credit program offered by a for-profit organization, or in which  
636 such an organization participates to meet special social needs, if it meets  
637 certain standards prescribed in 12 C.F.R. § 1002.8(a)(3)(i).  
638
- 639 c) Affiliate lending.  
640

- 1) At a bank's option, the Secretary will consider loans by an affiliate of the bank, if the bank provides data on the affiliate's loans pursuant to Section 345.410.
  - 2) The Secretary considers affiliate lending subject to the following constraints:
    - A) No affiliate may claim a loan origination or loan purchase if another institution claims the same loan origination or purchase and in this regard the bank shall monitor and keep records of whether such claims exist; and
    - B) If a bank elects to have the Secretary consider loans within a particular lending category made by one or more of the bank's affiliates in a particular assessment area, the bank shall elect to have the Secretary consider, in accordance with subsection (c)(1), all the loans within that lending category in that particular assessment area made by all of the bank's affiliates.
  - 3) The Secretary does not consider affiliate lending in assessing a bank's performance under subsection (b)(2)(A).
- d) Lending by a consortium or a third party. Community development loans originated or purchased by a consortium in which the bank participates or by a third party in which the bank has invested:
- 1) Will be considered, at the bank's option, if the bank reports the data pertaining to these loans under Section 345.410(b)(2); and
  - 2) May be allocated among participants or investors, as they choose, for purposes of the lending test, except that no participant or investor:
    - A) May claim a loan origination or loan purchase if another participant or investor claims the same loan origination or purchase and in this regard the bank shall monitor and keep records of whether such claims exist; or
    - B) May claim loans accounting for more than its percentage share (based on the level of its participation or investment) of the total loans originated by the consortium or third party.
- e) Lending performance rating. The Secretary rates a bank's lending performance as provided in 345.APPENDIX A.



**Section 345.230 Investment Test**

- a) Scope of test. The investment test evaluates a bank's record of helping to meet the credit needs of its assessment area through qualified investments that benefit its assessment area or a broader statewide or regional area that includes the bank's assessment area.
- b) Exclusion. Activities considered under the lending or service tests may not be considered under the investment test.
- c) Affiliate investment. At a bank's option, the Secretary will consider, in its assessment of a bank's investment performance, a qualified investment made by an affiliate of the bank, if the qualified investment is not claimed by any other institution.
- d) Disposition of branch premises. Donating, selling on favorable terms, or making available on a rent-free basis a branch of the bank that is located in a predominantly minority neighborhood to a minority depository institution or women's depository institution (as these terms are defined in 12 U.S.C. 2907(b)) will be considered as a qualified investment.
- e) Performance criteria. The Secretary evaluates the investment performance of a bank considering the assessment factors in Section 345.200 and pursuant to the following criteria:
  - 1) The dollar amount of qualified investments;
  - 2) The innovativeness or complexity of qualified investments;
  - 3) The responsiveness of qualified investments to credit and community development needs;
  - 4) The degree to which the qualified investments are not routinely provided by private investors; and
  - 5) The bank's performance on the above criteria in areas, if any, identified as exhibiting significant disparities by race or other protected characteristics in access to qualified investments by a Disparity Study incorporated into the examination process under section 345.210(g).
- f) Investment performance rating. The Secretary rates a bank's investment performance as provided in 345.APPENDIX A.

**Section 345.240 Service Test**

- a) Scope of test. The service test evaluates a bank's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of a bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.
- b) Area benefited. Community development services must benefit a bank's assessment area or a broader Statewide or regional area that includes the bank's assessment area.
- c) Affiliate service. At a bank's option, the Secretary will consider, in its assessment of a bank's service performance, a community development service provided by an affiliate of the bank, if the community development service is not claimed by any other institution and in this regard the bank shall monitor and keep records of whether such claims exist.
- d) Performance criteria--retail banking services. The Secretary evaluates the availability and effectiveness of a bank's systems for delivering retail banking services, considering the assessment factors in Section 345.200 and pursuant to the following criteria:
  - 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
  - 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
  - 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
  - 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

- 5) The bank's record of effectively marketing its retail banking services to unbanked or underbanked persons and offering retail banking services targeted to meet the needs of unbanked and underbanked persons. In determining whether a bank offers retail banking products and services targeted to meet the needs of unbanked and underbanked persons, the Department shall consider:
    - A) whether the bank offers accounts substantially and materially similar to BankOn certified accounts; or
    - B) whether the bank offers financial services and products to users of alternative financial products or services, provided that, that the bank has affirmatively and reasonably demonstrated that:
      - i) the bank offers such accounts or such financial services and products in conjunction with focused and sustained marketing efforts reasonably designed to reach unbanked and underbanked persons;
      - ii) unbanked and underbanked persons may reasonably conveniently obtain or use such accounts or such financial services and products; and
      - iii) the bank offers such accounts or such financial services and products at a cost to the unbanked and underbanked persons that is significantly lower than would otherwise be incurred by the users of alternative financial products or services.
  - 6) The bank's performance on the above criteria in areas, if any, identified as exhibiting significant disparities by race or other protected characteristics in access to retail banking services by a Disparity Study incorporated into the examination process under section 345.210(g).
- e) Performance criteria--community development services. The Secretary evaluates community development services considering the assessment factors in Section 345.200 and pursuant to the following criteria:
- 1) The extent to which the bank provides community development services;
  - 2) The innovativeness and responsiveness of community development services; and

- 3) The bank's performance on the above criteria in areas, if any, identified as exhibiting significant disparities by race or other protected characteristics in access to community development services by a Disparity Study incorporated into the examination process under section 345.210(g).

- f) Service performance rating. The Secretary rates a bank's service performance as provided in 345.APPENDIX A.

#### **Section 345.250 Community Development Test for Wholesale or Limited Purpose Banks**

- a) Scope of test. The FDIC assesses a wholesale or limited purpose bank's record of helping to meet the credit needs of its assessment area under the community development test through its community development lending, qualified investments, or community development services.
- b) Designation as a wholesale or limited purpose bank. In order to receive a designation as a wholesale or limited purpose bank, a bank shall file a request, in writing, with the Department, at least three months prior to the proposed effective date of the designation. If the Department approves the designation, it remains in effect until the bank requests revocation of the designation or until one year after the Department notifies the bank that the Department has revoked the designation on its own initiative.
- c) Performance criteria. The Secretary evaluates the community development performance of a wholesale or limited purpose bank considering the assessment factors in Section 345.200 and pursuant to the following criteria:
  - 1) The number and amount of community development loans (including originations and initial purchases of loans and other community development loan data provided by the bank, such as data on loans outstanding, commitments, and letters of credit), qualified investments, or community development services;
  - 2) The use of innovative or complex qualified investments, community development loans, or community development services and the extent to which the investments are not routinely provided by private investors; and
  - 3) The bank's responsiveness to credit and community development needs.
- d) Indirect activities. At a bank's option, the Secretary will consider in its community development performance assessment:

- 1) Qualified investments or community development services provided by an affiliate of the bank, if the investments or services are not claimed by any other institution; and
  - 2) Community development lending by affiliates, consortia and third parties, subject to the requirements and limitations in Section 345.220(c) and (d).
- e) Benefit to assessment area –
- 1) Benefit inside assessment area. The Secretary considers all qualified investments, community development loans, and community development services that benefit areas within the bank's assessment area or a broader Statewide or regional area that includes the bank's assessment area.
  - 2) Benefit outside assessment area. The Secretary considers the qualified investments, community development loans, and community development services that benefit areas outside the bank's assessment area, if the bank has adequately addressed the needs of its assessment area.
- f) Community development performance rating. The Secretary rates a bank's community development performance as provided in 345.APPENDIX A.

#### **Section 345.260 Small Bank Performance Standards**

- a) Performance criteria –
- 1) Small banks that are not intermediate small banks. The Secretary evaluates the record of a small bank that is not, or that was not during the prior calendar year, an intermediate small bank, of helping to meet the credit needs of its assessment area by considering the assessment factors in Section 345.200 and pursuant to the criteria set forth in subsection (b).
  - 2) Intermediate small banks. The Secretary evaluates the record of a small bank that is, or that was during the prior calendar year, an intermediate small bank, of helping to meet the credit needs of its assessment area by considering the assessment factors in Section 345.200 and pursuant to the criteria set forth in subsections (b) and (c).
- b) Lending test. A small bank's lending performance is evaluated pursuant to the following criteria:
- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for

sale to the secondary markets, community development loans, or qualified investments;

- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area;
- 3) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes;
- 4) The geographic distribution of the bank's loans; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area.

c) Community development test. An intermediate small bank's community development performance also is evaluated pursuant to the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and services needs.

d) Small bank performance rating. The Secretary considers the assessment factors in Section 345.200 and rates the performance of a bank evaluated under this section as provided in 345.APPENDIX A.

#### **Section 345.270 Strategic Plan**

a) Alternative election. The Secretary will assess a bank's record of helping to meet the credit needs of its assessment area considering the assessment factors in Section 345.200 under a strategic plan if:

- 1) The bank has submitted the plan to the Secretary as provided for in this section;
- 2) The Secretary has approved the plan;

- 3) The plan is in effect; and
  - 4) The bank has been operating under an approved plan for at least one year.
- b) Data reporting. The Secretary's approval of a plan does not affect the bank's obligation, if any, to report data as required by Section 345.410.
- c) Plans in general –
- 1) Term. A plan may have a term of no more than five years, and any multi-year plan must include annual interim measurable goals under which the Secretary will evaluate the bank's performance.
  - 2) Multiple assessment areas. A bank with more than one assessment area may prepare a single plan for all of its assessment areas or one or more plans for one or more of its assessment areas.
  - 3) Treatment of affiliates. Affiliated institutions may prepare a joint plan if the plan provides measurable goals for each institution. Activities may be allocated among institutions at the institutions' option, provided that the same activities are not considered for more than one institution.
- d) Public participation in plan development. Before submitting a plan to the Secretary for approval, a bank shall:
- 1) Informally seek suggestions from members of the public in its assessment areas covered by the plan while developing the plan;
  - 2) Once the bank has developed a plan, formally solicit public comment on the plan for at least 30 days by publishing notice in at least one newspaper of general circulation in each assessment area covered by the plan; and
  - 3) During the period of formal public comment, make copies of the plan available for review by the public at no cost at all offices of the bank in any assessment area covered by the plan and provide copies of the plan upon request for a reasonable fee to cover copying and mailing, if applicable.
- e) Submission of plan. The bank shall submit its plan to the Secretary at least four months prior to the proposed effective date of the plan. The bank shall also submit with its plan a description of its informal efforts to seek suggestions from members of the public, any written public comment received, and, if the plan was

revised in light of the comment received, the initial plan as released for public comment.

f) Plan content –

1) Measurable goals.

A) A bank shall specify in its plan measurable goals for helping to meet the credit needs of each assessment area covered by the plan, particularly the needs of low- and moderate-income geographies and low- and moderate-income individuals, through lending, investment, and services as appropriate and considering the assessment factors in Section 345.200.

B) A bank shall address in its plan all three performance categories and, unless the bank has been designated as a wholesale or limited purpose bank, shall emphasize lending and lending-related activities. Nevertheless, a different emphasis, including a focus on one or more performance categories, may be appropriate if responsive to the characteristics and credit needs of its assessment areas, considering public comment and the bank's capacity and constraints, product offerings, and business strategy.

2) Confidential information. A bank may submit additional information to the Secretary on a confidential basis, but the goals stated in the plan must be sufficiently specific to enable the public and the Secretary to judge the merits of the plan.

3) Satisfactory and outstanding goals. A bank shall specify in its plan measurable goals that constitute "satisfactory" performance. A plan may specify measurable goals that constitute "outstanding" performance. If a bank submits, and the Secretary approves, both "satisfactory" and "outstanding" performance goals, the Secretary will consider the bank eligible for an "outstanding" performance rating.

4) Election if satisfactory goals not substantially met. A bank may elect in its plan that, if the bank fails to meet substantially its plan goals for a satisfactory rating, the Secretary will evaluate the bank's performance under the lending, investment, and service tests, the community development test, or the small bank performance standards, as appropriate.

g) Plan approval –



- 1) Timing. The Secretary will act upon a plan within 90 calendar days after the Secretary receives the complete plan and other material required under subsection (e). If the Secretary fails to act within this time period, the plan shall be deemed approved unless the Secretary extends the review period in writing.
- 2) Public participation. In evaluating the plan's goals, the Secretary considers the public's involvement in formulating the plan, written public comment on the plan, and any response by the bank to public comment on the plan.
- 3) Criteria for evaluating plan. The Secretary considers the assessment factors in Section 345.200 and evaluates a plan's measurable goals using the following criteria, as appropriate:
  - A) The extent and breadth of lending or lending-related activities, including, as appropriate, the distribution of loans among different geographies, businesses and farms of different sizes, and individuals of different income levels, the extent of community development lending, and the use of innovative or flexible lending practices to address credit needs;
  - B) The amount and innovativeness, complexity, and responsiveness of the bank's qualified investments; and
  - C) The availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of the bank's community development services.
- h) Plan amendment. During the term of a plan, a bank may request the Secretary to approve an amendment to the plan on grounds that there has been a material change in circumstances. The bank shall develop an amendment to a previously approved plan in accordance with the public participation requirements of subsection (d).
- i) Plan assessment. The Secretary approves the goals and assesses performance under a plan as provided for in 345.APPENDIX A.

#### **Section 345.280 Assigned Ratings**

- a) Ratings in general. Subject to subsections (b) and (c), the Secretary assigns to a bank a rating of "outstanding", "satisfactory", "needs to improve", or "substantial noncompliance" based on the bank's performance under the lending, investment

and service tests, the community development test, the small bank performance standards, or an approved strategic plan, as applicable.

b) Lending, investment, and service tests. The Secretary assigns a rating for a bank assessed under the lending, investment, and service tests in accordance with the following principles:

- 1) A bank that receives an "outstanding" rating on the lending test receives an assigned rating of at least "satisfactory";
- 2) A bank that receives an "outstanding" rating on both the service test and the investment test and a rating of at least "high satisfactory" on the lending test receives an assigned rating of "outstanding"; and
- 3) No bank may receive an assigned rating of "satisfactory" or higher unless it receives a rating of at least "low satisfactory" on the lending test.

c) Effect of evidence of discriminatory or other illegal credit practices.

- 1) The Secretary's evaluation of a bank's ILCRA performance is adversely affected by evidence of discriminatory or other illegal credit practices in any geography by the bank or in any assessment area by any affiliate whose loans have been considered as part of the bank's lending performance. In connection with any type of lending activity described in Section 345.220(a), evidence of discriminatory or other credit practices that violate an applicable law, rule, or regulation includes, but is not limited to:
  - A) Discrimination against applicants on a prohibited basis in violation, for example, of the Equal Credit Opportunity Act or the Fair Housing Act, including, for example, relying on or giving force or effect to discriminatory appraisals to deny loan applications where the covered financial institution knew or should have known of the discrimination;
  - B) Violations of the Home Ownership and Equity Protection Act;
  - C) Violations of section 5 of the Federal Trade Commission Act;
  - D) Violations of section 8 of the Real Estate Settlement Procedures Act;

- E) Violations of the Truth in Lending Act provisions regarding a consumer's right of rescission;
  - F) Violations of Article 4 (Financial Credit) of the Illinois Human Rights Act [775 ILCS 5/Art. 4];
  - G) Violations of the Illinois High Risk Home Loan Act [815 ILCS 137]; and
  - H) Violations of the Illinois Fairness in Lending Act [815 ILCS 120].
- 2) In determining the effect of evidence of practices described in subsection (c)(1) on the bank's assigned rating, the Secretary considers the nature, extent, and strength of the evidence of the practices; the policies and procedures that the bank (or affiliate, as applicable) has in place to prevent the practices; any corrective action that the bank (or affiliate, as applicable) has taken or has committed to take, including voluntary corrective action resulting from self-assessment; and any other relevant information.

#### **Section 345.290 Effect of ILCRA Performance on Applications**

- a) ILCRA performance. Among other factors, the Secretary takes into account the record of performance under the ILCRA of each applicant bank in considering an application for approval of:
  - 1) The relocation of the bank's main office or a branch, but only when express prior approval is otherwise required under applicable State law or administrative rule; and
  - 2) The merger, consolidation, acquisition of assets, or assumption of liabilities.
- b) New financial institutions. A newly chartered bank shall submit with its application for a permit to organize a description of how it will meet its ILCRA objectives. The Secretary takes the description into account in considering the application and may deny or condition approval on that basis.
- c) Interested parties. The Secretary takes into account any views submitted by interested parties in accordance with the public notice posted pursuant to Section 35-20 of ILCRA.

- d) Denial or conditional approval of application. A bank's record of performance may be the basis for denying or conditioning approval of an application listed in subsection (a).

**SUBPART C: RECORDS, REPORTING, AND DISCLOSURE REQUIREMENTS;  
EXAMINATIONS**

**Section 345.400 Assessment Area Delineation**

- a) In general. A bank shall delineate one or more assessment areas within which the Secretary evaluates the bank's record of helping to meet the credit needs of its community. The Secretary does not evaluate the bank's delineation of its assessment area as a separate performance criterion, but the Secretary reviews the delineation for compliance with the requirements of this Section.
- b) Geographic areas for wholesale or limited purpose banks. The assessment area for a wholesale or limited purpose bank must consist generally of one or more MSAs or metropolitan divisions (using the MSA or metropolitan division boundaries that were in effect as of January 1 of the calendar year in which the delineation is made) or one or more contiguous political subdivisions, such as counties, cities, or towns, in which the bank has its main office, branches, and deposit-taking ATM's.
- c) Geographic areas for other banks. The assessment area for a bank other than a wholesale or limited purpose bank must:
- 1) Consist generally of one or more MSAs or metropolitan divisions (using the MSA or metropolitan division boundaries that were in effect as of January 1 of the calendar year in which the delineation is made) or one or more contiguous political subdivisions, such as counties, cities, or towns; and
  - 2) Include the geographies in which the bank has its main office, its branches, and its deposit-taking RSFs, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans (including home mortgage loans, small business and small farm loans, and any other loans the bank chooses, such as those consumer loans on which the bank elects to have its performance assessed).
- d) Adjustments to geographic areas. A bank may adjust the boundaries of its assessment area to include only the portion of a political subdivision that it reasonably can be expected to serve. An adjustment is particularly appropriate in

the case of an assessment area that otherwise would be extremely large, of unusual configuration, or divided by significant geographic barriers.

- e) Limitations on the delineation of an assessment area. Each bank's assessment area:
  - 1) Must consist only of whole geographies;
  - 2) May not reflect illegal discrimination;
  - 3) May not arbitrarily exclude low- or moderate-income geographies, taking into account the bank's size and financial condition; and
  - 4) May not extend substantially beyond an MSA boundary or beyond a state boundary unless the assessment area is located in a multistate MSA. If a bank serves a geographic area that extends substantially beyond a state boundary, the bank shall delineate separate assessment areas for the areas in each state. If a bank serves a geographic area that extends substantially beyond an MSA boundary, the bank shall delineate separate assessment areas for the areas inside and outside the MSA.
- f) Banks serving military personnel. Notwithstanding the requirements of this Section, a bank whose business predominantly consists of serving the needs of military personnel or their dependents who are not located within a defined geographic area may delineate its entire deposit customer base as its assessment area.
- g) Use of assessment areas. The Secretary uses the assessment area delineated by a bank in its evaluation of the bank's ILCRA performance unless the Secretary determines that the assessment areas do not comply with the requirements of this Section.

#### **Section 345.410 Data Collection, Reporting, and Disclosure**

- a) Loan information required to be collected and maintained. A bank, except a small bank, shall collect, and maintain in machine readable form (as prescribed by the Secretary) until the completion of its next ILCRA examination, the following data for each small business or small farm loan originated or purchased by the bank:
  - 1) A unique number or alpha-numeric symbol that can be used to identify the relevant loan file;
  - 2) The loan amount at origination;

- 3) The loan location; and
  - 4) An indicator whether the loan was to a business or farm with gross annual revenues of \$1 million or less.
- b) Loan information required to be reported. A bank, except a small bank or a bank that was a small bank during the prior calendar year, shall report annually by March 1 to the Secretary in machine readable form (as prescribed by the Secretary) the following data for the prior calendar year:
- 1) Small business and small farm loan data. For each geography in which the bank originated or purchased a small business or small farm loan, the information required by Section 1071 of the Dodd-Frank Act, 15 U.S.C. § 1691c-2, and the Consumer Financial Protection Bureau's implementing rules, and the aggregate number and amount of loans:
    - A) With an amount at origination of \$100,000 or less;
    - B) With an amount at origination of more than \$100,000 but less than or equal to \$250,000;
    - C) With an amount at origination of more than \$250,000; and
    - D) To businesses and farms with gross annual revenues of \$1 million or less (using the revenues that the bank considered in making its credit decision);
  - 2) Community development loan data. For each geography in which the bank originated or purchased a community development loan, the aggregate number and aggregate amount of loans; and
  - 3) Home mortgage loans. If the bank is subject to reporting under 12 CFR 1003 (Home Data Disclosure), the location of each home mortgage loan application, origination, or purchase outside the MSAs in which the bank has a home or branch office (or outside any MSA) in accordance with the requirements of 12 CFR 1003 (Home Data Disclosure).
- c) Optional data collection and maintenance.
- 1) Consumer loans. A bank may collect and maintain in machine readable form (as prescribed by the Secretary) data for consumer loans originated or purchased by the bank for consideration under the lending test. A bank

may maintain data for one or more of the following categories of consumer loans: motor vehicle, credit card, other secured, and other unsecured. If the bank maintains data for loans in a certain category, it shall maintain data for all loans originated or purchased within that category. The bank shall maintain data separately for each category, including for each loan:

- A) A unique number or alpha-numeric symbol that can be used to identify the relevant loan file;
- B) The loan amount at origination or purchase;
- C) The loan location; and
- D) The gross annual income of the borrower that the bank considered in making its credit decision.

2) Other loan data. At its option, a bank may provide other information concerning its lending performance, including additional loan distribution data.

d) Data on affiliate lending. A bank that elects to have the Secretary consider loans by an affiliate, for purposes of the lending or community development test or an approved strategic plan, shall collect, maintain, and report for those loans the data that the bank would have collected, maintained, and reported pursuant to subsections (a), (b), and (c) had the loans been originated or purchased by the bank. For home mortgage loans, the bank shall also be prepared to identify the home mortgage loans reported under 12 CFR 1003 (Home Data Disclosure) by the affiliate.

e) Data on lending by a consortium or a third party. A bank that elects to have the Secretary consider community development loans by a consortium or third party, for purposes of the lending or community development tests or an approved strategic plan, shall report for those loans the data that the bank would have reported under subsection (b)(2) had the loans been originated or purchased by the bank.

f) Small banks electing evaluation under the lending, investment, and service tests. A bank that qualifies for evaluation under the small bank performance standards but elects evaluation under the lending, investment, and service tests shall collect, maintain, and report the data required for other banks pursuant to subsections (a) and (b).

- g) Assessment area data. A bank, except a small bank or a bank that was a small bank during the prior calendar year, shall collect and report to the Secretary by March 1 of each year a list for each assessment area showing the geographies within the area.

**Section 345.420 Content and Availability of Public File**

- a) Information available to the public. A bank shall maintain a public file that includes the following information:
- 1) All written comments received from the public for the current year and each of the prior two calendar years that specifically relate to the bank's performance in helping to meet community credit needs, and any response to the comments by the bank, if neither the comments nor the responses contain statements that reflect adversely on the good name or reputation of any persons other than the bank or publication of which would violate specific provisions of law;
  - 2) A copy of the public section of the bank's most recent ILCRA Performance Evaluation prepared by the Secretary. The bank shall place this copy in the public file within 30 business days after its receipt from the Secretary;
  - 3) A list of the bank's branches, their street addresses, and geographies;
  - 4) A list of branches opened or closed by the bank during the current year and each of the prior two calendar years, their street addresses and geographies;
  - 5) A list of services (including hours of operation, available loan and deposit products, and transaction fees) generally offered at the bank's branches and descriptions of material differences in the availability or cost of services at particular branches, if any. At its option, a bank may include information regarding the availability of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs);
  - 6) A map of each assessment area showing the boundaries of the area and identifying the geographies contained within the area, either on the map or in a separate list; and
  - 7) Any other information the bank chooses.



b) Additional information available to the public –

- 1) Banks other than small banks. A bank, except a small bank or a bank that was a small bank during the prior calendar year, shall include in its public file the following information pertaining to the bank and its affiliates, if applicable, for each of the prior two calendar years:
  - A) If the bank has elected to have one or more categories of its consumer loans considered under the lending test, for each of these categories, the number and amount of loans:
    - i) To low-, moderate-, middle-, and upper-income individuals;
    - ii) Located in low-, moderate-, middle-, and upper-income census tracts; and
    - iii) Located inside the bank's assessment area and outside the bank's assessment area; and
  - B) The bank's federal Community Reinvestment Act Disclosure Statement. The bank shall place the statement in the public file within three business days of its receipt from its appropriate federal financial supervisory agency.
- 2) Banks required to report Home Mortgage Disclosure Act (HMDA) data. A bank required to report home mortgage loan data pursuant 12 CFR 1003 (Home Disclosure Data) shall include in its public file a written notice that the institution's HMDA Disclosure Statement may be obtained on the Consumer Financial Protection Bureau's (Bureau's) Web site at [www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda). In addition, a bank that elected to have the Secretary consider the mortgage lending of an affiliate shall include in its public file the name of the affiliate and a written notice that the affiliate's HMDA Disclosure Statement may be obtained at the Bureau's Web site. The bank shall place the written notice in the public file within three business days after receiving notification from the Federal Financial Institutions Examination Council of the availability of the disclosure statement.
- 3) Small banks. A small bank or a bank that was a small bank during the prior calendar year shall include in its public file:

- 1410 A) The bank's loan-to-deposit ratio for each quarter of the prior  
 1411 calendar year and, at its option, additional data on its loan-to-  
 1412 deposit ratio; and  
 1413
- 1414 B) The information required for other banks by subsection (b)(1), if  
 1415 the bank has elected to be evaluated under the lending, investment,  
 1416 and service tests.  
 1417
- 1418 4) Banks with strategic plans. A bank that has been approved to be assessed  
 1419 under a strategic plan shall include in its public file a copy of that plan. A  
 1420 bank need not include information submitted to the Secretary on a  
 1421 confidential basis in conjunction with the plan.  
 1422
- 1423 5) Banks with less than satisfactory ratings. A bank that received a less than  
 1424 satisfactory rating during its most recent examination shall include in its  
 1425 public file a description of its current efforts to improve its performance in  
 1426 helping to meet the credit needs of its entire community. The bank shall  
 1427 update the description quarterly.  
 1428
- 1429 c) Location of public information. A bank shall make available to the public for  
 1430 inspection upon request and at no cost the information required in this Section as  
 1431 follows:  
 1432
- 1433 1) At the main office and, if an interstate bank, at one branch office in each  
 1434 state, all information in the public file; and  
 1435
- 1436 2) At each branch:  
 1437
- 1438 A) A copy of the public section of the bank's most recent ILCRA  
 1439 Performance Evaluation and a list of services provided by the  
 1440 branch; and  
 1441
- 1442 B) Within five calendar days of the request, all the information in the  
 1443 public file relating to the assessment area in which the branch is  
 1444 located.  
 1445
- 1446 d) Copies. Upon request, a bank shall provide copies, either on paper or in another  
 1447 form acceptable to the person making the request, of the information in its public  
 1448 file. The bank may charge a reasonable fee not to exceed the cost of copying and  
 1449 mailing (if applicable).  
 1450
- 1451 e) Updating. Except as otherwise provided in this Section, a bank shall ensure that  
 1452 the information required by this Section is current as of April 1 of each year.

**Section 345.430 Public Notice by Banks**

A bank shall provide in the public lobby of its main office and each of its branches, if any, and on its website the appropriate public notice set forth in 345.APPENDIX B. Only a branch of a bank having more than one assessment area shall include the bracketed material in the notice for branch offices. Only a bank that is an affiliate of a holding company shall include the next to the last sentence of the notices. A bank shall include the last sentence of the notices only if it is an affiliate of a holding company that is not prevented by statute from acquiring additional banks.

**Section 345.440 Publication of Planned Examination Schedule**

The Secretary publishes at least 30 days in advance of the beginning of each calendar quarter a list of banks scheduled for ILCRA examinations in that quarter.

**Section 345.450 Alternative Examination Procedures**

The Secretary may establish alternative examination procedures for banks which were rated "outstanding" as of their most recent ILCRA or federal Community Reinvestment Act examination. The purpose of such alternative procedures shall be to reduce the cost to such banks. The alternative procedures shall in no way limit public participation.

**Section 345.460 Examination Authority and Cooperation**

- a) Pursuant to the Secretary's authority under the ILCRA, including, but not limited to, Sections 35-15 and 35-25 thereof, the Secretary and his or her appointees may examine the entire books, records, documents, and operations of each bank or its affiliates or agents, and may examine any banks' or affiliates' or agents' officers, directors, employees, and agents under oath.
- b) A bank shall be required to fully cooperate in any examination conducted pursuant to this Part. Cooperation includes, but is not limited to:
  - 1) timely and full production of books, records, and documents, in any reasonable format requested by the Department; and
  - 2) ensuring all officers, directors, employees, and agents of the bank are available for depositions or interviews upon reasonable notice.
- c) Except as otherwise specified in ILCRA or this Part, examination related to this Part shall be conducted consistent with 205 ILCS 5/48(2.1), 38 Ill. Adm. Code 381, and accompanying guidelines.

**Section 345.470 Examination Frequency and Coordination**

- a) Subject to the provisions of this Section, the Secretary shall conduct examinations under the ILCRA or this Part in coordination with a bank's primary federal financial supervisory agency.
- b) For banks with total assets greater than \$250 million, and notwithstanding subsection (a), the Secretary shall conduct examinations under the ILCRA with the following frequency:
  - 1) For a bank that is assigned an "outstanding" or "satisfactory" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within 3 years of the issuance of the report of examination of its most recent prior examination under the ILCRA.
  - 2) For a bank that is assigned a "needs to improve" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within 2 years of the issuance of the report of examination of its most recent prior examination under the ILCRA.
  - 3) For a bank that is assigned a "substantial noncompliance" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within 1 year of the issuance of the report of examination of its most recent prior examination under the ILCRA.
- c) For banks with total assets of \$250 million or less, and notwithstanding subsection (a), the Secretary shall conduct examinations under the ILCRA with the following frequency:
  - 1) For a bank that is assigned an "outstanding" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within 5 years of the issuance of the report of examination of its most recent prior examination under the ILCRA.
  - 2) For a bank that is assigned a "satisfactory" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within 4 years of the issuance of the report of examination of its most recent prior examination under the ILCRA.
  - 3) For a bank that is assigned a "needs to improve" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within 2 years of the issuance of the report of examination of its most recent prior examination under the ILCRA.

- 4) For a bank that is assigned "substantial noncompliance" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within 1 year of the issuance of the report of examination of its most recent prior examination under the ILCRA.
- d) Notwithstanding the provisions of this Section, the Secretary may:
- 1) conduct an examination at any time upon finding:
    - A) a bank's primary federal financial supervisory agency has rated the bank, as of its most recent examination, in "substantial noncompliance" with the federal Community Reinvestment Act;
    - B) substantial evidence of discriminatory or other illegal credit practices; or
    - C) the Secretary otherwise finds sufficient cause; or
  - 2) notwithstanding subsections (b)(1) and (c)(1), extend by one year the time between examination of any bank or banks with an "outstanding" or "satisfactory" rating if the Secretary finds that an extension is necessitated by:
    - A) the need to examine or investigate a bank or banks with a "needs to improve" or "substantial noncompliance" rating; or
    - B) the need to examine or investigate a bank or banks showing substantial evidence of illegal credit practices.
- e) Notwithstanding any other provision of this Section, the Secretary may examine a bank at any time as authorized by the ILCRA.
- f) For purposes of this Section, a bank's total assets shall be as reported on the bank's Consolidated Report of Condition and Income contemporaneous with the bank's most recent prior examination.

#### **Section 345.480 Examination Fees**

- a) Hourly Rate and Out-of-State Travel Expenses
- 1) Time expended in the conduct of any examination of a bank or its affiliates pursuant to Section 35-15 of the ILCRA shall be billed by the

Department at a rate of \$2,200 per day. Fees will be billed following completion of the examination and shall be paid within 30 days after receipt of the billing. The examination fee shall increase up to 5% annually.

2) When out-of-state travel occurs in the conduct of any examination, the bank shall make arrangements to reimburse the Department all charges for services such as travel expenses, including airfare, hotel and per diem incurred by the employee. These expenses are to be in accord with applicable travel regulations published by the Department of Central Management Services and approved by the Governor's Travel Control Board (80 Ill. Adm. Code 2800).

b) Assessments. Each bank shall pay to the Department its pro rata share of the cost for administration of the ILCRA for banks that exceeds the examination fees paid pursuant to subsection (a), as estimated by the Department, for the current year and any deficit actually incurred in the administration of the Act in prior years. The aggregate assessment may not increase by more than 5% annually. In addition to this assessment, banks with a current rating of "needs to improve" or "substantial noncompliance" may be assessed a surcharge, and in that case, the assessment on other banks shall be reduced in amount equal to such surcharge. The aggregate surcharge shall not be greater than an amount equal to 20% of the cost for administration of the ILCRA that exceeds the examination fees paid pursuant to subsection (a). Each bank's pro rata share of an assessment shall be the percentage that the assets shown on the bank's Consolidated Report of Condition and Income (FFIEC 031 and 041) bears to the total assets of all banks covered by the ILCRA. Each bank's pro rata share of a surcharge shall be the percentage that the assets shown on the bank's Consolidated Report of Condition and Income (FFIEC 031 and 041) bears to the total assets of all banks subject to a surcharge and covered by the ILCRA.

c) All fees received pursuant to this Part shall be deposited in the Bank and Trust Company Fund.

#### **Section 345.490 Implementation Period**

a) Banks shall have six months from the effective date of this Part to comply with the requirements of this Part.

b) The Secretary may conduct an examination at any time upon finding:

- 1) a bank's primary federal financial supervisory agency has rated the bank, as of its most recent examination, in "substantial noncompliance" with the federal Community Reinvestment Act;
  - 2) substantial evidence of discriminatory or other illegal credit practices; or
  - 3) the Secretary otherwise finds sufficient cause.
- c) For purposes of Section 345.470, with regard to the timing of the initial examination of a bank under ILCRA, the "most recent prior exam under the ILCRA" shall be read as the most recent examination under the federal Community Reinvestment Act.

#### **Section 345.500 Enforcement**

Failure to comply with any requirement under the ILCRA, this Part or other law referenced in the ILCRA, shall be grounds for enforcement actions as authorized under the ILCRA and under the Illinois Banking Act, Savings Bank Act, or Foreign Banking Office Act, as applicable to the particular bank. Any such failure to comply with a requirement of the ILCRA may also be grounds for referral to law enforcement or an administrative authority with jurisdiction over the subject matter. In addition to any other action authorized by law, the Secretary may enter agreed orders, stipulations or settlement agreements for the purpose of resolving any such failure to comply.

**Section 345.APPENDIX A Ratings**

a) Ratings in general –

- 1) In assigning a rating, the Secretary evaluates a bank's performance under the applicable performance criteria in this part, in accordance with Sections 345.210 and 345.280. This includes consideration of low-cost education loans provided to low-income borrowers activities in cooperation with minority- or women-owned financial institutions and low-income credit unions, and the offering of Special Credit Programs, as well as adjustments on the basis of evidence of discriminatory or other illegal credit practices.
- 2) A bank's performance need not fit each aspect of a particular rating profile in order to receive that rating, and exceptionally strong performance with respect to some aspects may compensate for weak performance in others. The bank's overall performance, however, must be consistent with safe and sound banking practices and generally with the appropriate rating profile as follows.

b) Banks evaluated under the lending, investment, and service tests.

- 1) Lending performance rating. The Secretary assigns each bank's lending performance one of the five following ratings.
  - A) Outstanding. The Secretary rates a bank's lending performance "outstanding" if, in general, it demonstrates:
    - i) Excellent responsiveness to credit needs in its assessment area, taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area;
    - ii) A substantial majority of its loans are made in its assessment area;
    - iii) An excellent geographic distribution of loans in its assessment area;
    - iv) An excellent distribution, particularly in its assessment area, of loans among individuals of different income levels



- 1689 and businesses (including farms) of different sizes, given  
 1690 the product lines offered by the bank;  
 1691  
 1692 v) An excellent record of serving the credit needs of highly  
 1693 economically disadvantaged areas in its assessment area,  
 1694 low-income individuals, or businesses (including farms)  
 1695 with gross annual revenues of \$1 million or less, consistent  
 1696 with safe and sound operations;  
 1697  
 1698 vi) Extensive use of innovative or flexible lending practices in  
 1699 a safe and sound manner to address the credit needs of low-  
 1700 or moderate-income individuals or geographies;  
 1701  
 1702 vii) It is a leader in making community development loans; and  
 1703  
 1704 viii) An excellent distribution of loans among individuals of  
 1705 different racial or other protected characteristics in areas, if  
 1706 any, particularly in parts of its assessment area, identified  
 1707 as exhibiting significant disparities by race or other  
 1708 protected characteristics in access to lending products and  
 1709 services by a Disparity Study incorporated into the  
 1710 examination process under section 345.210(g) as compared  
 1711 to the baseline distributions in those areas as identified by  
 1712 the study.  
 1713  
 1714 B) High satisfactory. The Secretary rates a bank's lending  
 1715 performance "high satisfactory" if, in general, it demonstrates:  
 1716  
 1717 i) Good responsiveness to credit needs in its assessment area,  
 1718 taking into account the number and amount of home  
 1719 mortgage, small business, small farm, and consumer loans,  
 1720 if applicable, in its assessment area;  
 1721  
 1722 ii) A high percentage of its loans are made in its assessment  
 1723 area;  
 1724  
 1725 iii) A good geographic distribution of loans in its assessment  
 1726 area;  
 1727  
 1728 iv) A good distribution, particularly in its assessment area, of  
 1729 loans among individuals of different income levels and  
 1730 businesses (including farms) of different sizes, given the  
 1731 product lines offered by the bank;

- v) A good record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
  - vi) Use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies; and
  - vii) It has made a relatively high level of community development loans.
- C) Low satisfactory. The Secretary rates a bank's lending performance "low satisfactory" if, in general, it demonstrates:
- i) Adequate responsiveness to credit needs in its assessment area, taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area;
  - ii) An adequate percentage of its loans are made in its assessment area;
  - iii) An adequate geographic distribution of loans in its assessment area;
  - iv) An adequate distribution, particularly in its assessment area, of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank;
  - v) An adequate record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
  - vi) Limited use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies; and

- vii) It has made an adequate level of community development loans.
- Needs to improve. The Secretary rates a bank's lending performance "needs to improve" if, in general, it demonstrates:
- i) Poor responsiveness to credit needs in its assessment area, taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area;
  - ii) A small percentage of its loans are made in its assessment area;
  - iii) A poor geographic distribution of loans, particularly to low- or moderate-income geographies, in its assessment area;
  - iv) A poor distribution, particularly in its assessment area, of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank;
  - v) A poor record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
  - vi) Little use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies; and
  - vii) It has made a low level of community development loans.
- Substantial noncompliance. The Secretary rates a bank's lending performance as being in "substantial noncompliance" if, in general, it demonstrates:
- i) A very poor responsiveness to credit needs in its assessment area, taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area;

- ii) A very small percentage of its loans are made in its assessment area;
- iii) A very poor geographic distribution of loans, particularly to low- or moderate-income geographies, in its assessment area;
- iv) A very poor distribution, particularly in its assessment area, of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank;
- v) A very poor record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
- vi) No use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies; and
- vii) It has made few, if any, community development loans.

2) Investment performance rating. The Secretary assigns each bank's investment performance one of the five following ratings:

- A) Outstanding. The Secretary rates a bank's investment performance "outstanding" if, in general, it demonstrates:
  - i) An excellent level of qualified investments, particularly those that are not routinely provided by private investors, often in a leadership position;
  - ii) Extensive use of innovative or complex qualified investments;
  - iii) Excellent responsiveness to credit and community development needs; and
  - iv) Excellent performance in the above criteria in areas, if any, identified as exhibiting significant disparities by race or

1861 other protected characteristics in access to qualified  
 1862 investments by a Disparity Study incorporated into the  
 1863 examination process under section 345.210(g) as compared  
 1864 to the baseline performance levels in those areas as  
 1865 identified by the study.  
 1866

1867 B) High satisfactory. The Secretary rates a bank's investment  
 1868 performance "high satisfactory" if, in general, it demonstrates:  
 1869

1870 i) A significant level of qualified investments, particularly  
 1871 those that are not routinely provided by private investors,  
 1872 occasionally in a leadership position;  
 1873

1874 ii) Significant use of innovative or complex qualified  
 1875 investments; and  
 1876

1877 iii) Good responsiveness to credit and community development  
 1878 needs.  
 1879

1880 C) Low satisfactory. The Secretary rates a bank's investment  
 1881 performance "low satisfactory" if, in general, it demonstrates:  
 1882

1883 i) An adequate level of qualified investments, particularly  
 1884 those that are not routinely provided by private investors,  
 1885 although rarely in a leadership position;  
 1886

1887 ii) Occasional use of innovative or complex qualified  
 1888 investments; and  
 1889

1890 iii) Adequate responsiveness to credit and community  
 1891 development needs.  
 1892

1893 D) Needs to improve. The Secretary rates a bank's investment  
 1894 performance "needs to improve" if, in general, it demonstrates:  
 1895

1896 i) A poor level of qualified investments, particularly those  
 1897 that are not routinely provided by private investors;  
 1898

1899 ii) Rare use of innovative or complex qualified investments;  
 1900 and  
 1901

1902 iii) Poor responsiveness to credit and community development  
 1903 needs.

- 1904
- 1905
- 1906
- 1907
- 1908
- 1909
- 1910
- 1911
- 1912
- 1913
- 1914
- 1915
- 1916
- 1917
- 1918
- 1919
- 1920
- 1921
- 1922
- 1923
- 1924
- 1925
- 1926
- 1927
- 1928
- 1929
- 1930
- 1931
- 1932
- 1933
- 1934
- 1935
- 1936
- 1937
- 1938
- 1939
- 1940
- 1941
- 1942
- 1943
- 1944
- 1945
- 1946
- E) Substantial noncompliance. The Secretary rates a bank's investment performance as being in "substantial noncompliance" if, in general, it demonstrates:
    - i) Few, if any, qualified investments, particularly those that are not routinely provided by private investors;
    - ii) No use of innovative or complex qualified investments; and
    - iii) Very poor responsiveness to credit and community development needs.
  - 3) Service performance rating. The Secretary assigns each bank's service performance one of the five following ratings.
    - A) Outstanding. The Secretary rates a bank's service performance "outstanding" if, in general, the bank demonstrates:
      - i) Its service delivery systems are readily accessible to geographies and individuals of different income levels in its assessment area;
      - ii) To the extent changes have been made, its record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals;
      - iii) Its services (including, where appropriate, business hours) are tailored to the convenience and needs of its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals;
      - iv) It is a leader in providing community development services; and
      - v) Excellent performance in the above criteria in areas, if any, particularly in parts of its assessment area, identified as exhibiting significant disparities by race or other protected characteristics in access to community development services by a Disparity Study incorporated into the examination process under section 345.210(g) as compared

- 1947 to the baseline performance levels in those areas as  
 1948 identified by the study.  
 1949
- 1950 B) High satisfactory. The Secretary rates a bank's service performance  
 1951 "high satisfactory" if, in general, the bank demonstrates:  
 1952
- 1953 i) Its service delivery systems are accessible to geographies  
 1954 and individuals of different income levels in its assessment  
 1955 area;  
 1956
- 1957 ii) To the extent changes have been made, its record of  
 1958 opening and closing branches has not adversely affected the  
 1959 accessibility of its delivery systems, particularly in low-  
 1960 and moderate-income geographies and to low- and  
 1961 moderate-income individuals;  
 1962
- 1963 iii) Its services (including, where appropriate, business hours)  
 1964 do not vary in a way that inconveniences its assessment  
 1965 area, particularly low- and moderate-income geographies  
 1966 and low- and moderate-income individuals; and  
 1967
- 1968 iv) It provides a relatively high level of community  
 1969 development services.  
 1970
- 1971 C) Low satisfactory. The Secretary rates a bank's service performance  
 1972 "low satisfactory" if, in general, the bank demonstrates:  
 1973
- 1974 i) Its service delivery systems are reasonably accessible to  
 1975 geographies and individuals of different income levels in its  
 1976 assessment area;  
 1977
- 1978 ii) To the extent changes have been made, its record of  
 1979 opening and closing branches has generally not adversely  
 1980 affected the accessibility of its delivery systems,  
 1981 particularly in low- and moderate-income geographies and  
 1982 to low- and moderate-income individuals;  
 1983
- 1984 iii) Its services (including, where appropriate, business hours)  
 1985 do not vary in a way that inconveniences its assessment  
 1986 area, particularly low- and moderate-income geographies  
 1987 and low- and moderate-income individuals; and  
 1988

- 1989  
1990  
1991  
1992  
1993  
1994  
1995  
1996  
1997  
1998  
1999  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
2011  
2012  
2013  
2014  
2015  
2016  
2017  
2018  
2019  
2020  
2021  
2022  
2023  
2024  
2025  
2026  
2027  
2028  
2029  
2030  
2031
- iv) It provides an adequate level of community development services.
  - D) Needs to improve. The Secretary rates a bank's service performance "needs to improve" if, in general, the bank demonstrates:
    - i) Its service delivery systems are unreasonably inaccessible to portions of its assessment area, particularly to low- or moderate-income geographies or to low- or moderate-income individuals;
    - ii) To the extent changes have been made, its record of opening and closing branches has adversely affected the accessibility its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals;
    - iii) Its services (including, where appropriate, business hours) vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals; and
    - iv) It provides a limited level of community development services.
  - E) Substantial noncompliance. The Secretary rates a bank's service performance as being in "substantial noncompliance" if, in general, the bank demonstrates:
    - i) Its service delivery systems are unreasonably inaccessible to significant portions of its assessment area, particularly to low- or moderate-income geographies or to low- or moderate-income individuals;
    - ii) To the extent changes have been made, its record of opening and closing branches has significantly adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals;
    - iii) Its services (including, where appropriate, business hours) vary in a way that significantly inconveniences its



assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals; and

iv) It provides few, if any, community development services.

c) Wholesale or limited purpose banks. The Secretary assigns each wholesale or limited purpose bank's community development performance one of the four following ratings.

1) Outstanding. The Secretary rates a wholesale or limited purpose bank's community development performance "outstanding" if, in general, it demonstrates:

A) A high level of community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors;

B) Extensive use of innovative or complex qualified investments, community development loans, or community development services; and

C) Excellent responsiveness to credit and community development needs in its assessment area.

2) Satisfactory. The Secretary rates a wholesale or limited purpose bank's community development performance "satisfactory" if, in general, it demonstrates:

A) An adequate level of community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors;

B) Occasional use of innovative or complex qualified investments, community development loans, or community development services; and

C) Adequate responsiveness to credit and community development needs in its assessment area.

3) Needs to improve. The Secretary rates a wholesale or limited purpose bank's community development performance as "needs to improve" if, in general, it demonstrates:

- A) A poor level of community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors;
    - B) Rare use of innovative or complex qualified investments, community development loans, or community development services; and
    - C) Poor responsiveness to credit and community development needs in its assessment area.
  - 4) Substantial noncompliance. The Secretary rates a wholesale or limited purpose bank's community development performance in "substantial noncompliance" if, in general, it demonstrates:
    - A) Few, if any, community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors;
    - B) No use of innovative or complex qualified investments, community development loans, or community development services; and
    - C) Very poor responsiveness to credit and community development needs in its assessment area.
- d) Banks evaluated under the small bank performance standards –
  - 1) Lending test ratings.
    - A) Eligibility for a satisfactory lending test rating. The Secretary rates a small bank's lending performance "satisfactory" if, in general, the bank demonstrates:
      - i) A reasonable loan-to-deposit ratio (considering seasonal variations) given the bank's size, financial condition, the credit needs of its assessment area, and taking into account, as appropriate, other lending-related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments;
      - ii) A majority of its loans and, as appropriate, other lending-related activities, are in its assessment area;

- 2118
- 2119
- 2120
- 2121
- 2122
- 2123
- 2124
- 2125
- 2126
- 2127
- 2128
- 2129
- 2130
- 2131
- 2132
- 2133
- 2134
- 2135
- 2136
- 2137
- 2138
- 2139
- 2140
- 2141
- 2142
- 2143
- 2144
- 2145
- 2146
- 2147
- 2148
- 2149
- 2150
- 2151
- 2152
- 2153
- 2154
- 2155
- 2156
- 2157
- 2158
- 2159
- 2160
- iii) A distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses and farms of different sizes that is reasonable given the demographics of the bank's assessment area;
  - iv) A record of taking appropriate action, when warranted, in response to written complaints, if any, about the bank's performance in helping to meet the credit needs of its assessment area; and
  - v) A reasonable geographic distribution of loans given the bank's assessment area.
- B) Eligibility for an "outstanding" lending test rating. A small bank that meets each of the standards for a "satisfactory" rating under this subsection and exceeds some or all of those standards may warrant consideration for a lending test rating of "outstanding."
- C) Needs to improve or substantial noncompliance ratings. A small bank may also receive a lending test rating of "needs to improve" or "substantial noncompliance depending on the degree to which its performance has failed to meet the standard for a "satisfactory" rating.
- 2) Community development test ratings for intermediate small banks –
- A) Eligibility for a satisfactory community development test rating. The Secretary rates an intermediate small bank's community development performance "satisfactory" if the bank demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. The adequacy of the bank's response will depend on its capacity for such community development activities, its assessment area's need for such community development activities, and the availability of such opportunities for community development in the bank's assessment area.
  - B) Eligibility for an outstanding community development test rating. The Secretary rates an intermediate small bank's community

development performance "outstanding" if the bank demonstrates excellent responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

- C) Needs to improve or substantial noncompliance ratings. An intermediate small bank may also receive a community development test rating of "needs to improve" or "substantial noncompliance" depending on the degree to which its performance has failed to meet the standards for a "satisfactory" rating.

3) Overall rating –

- A) Eligibility for a satisfactory overall rating. No intermediate small bank may receive an assigned overall rating of "satisfactory" unless it receives a rating of a least "satisfactory" on both the lending test and the community development test.
- B) Eligibility for an outstanding overall rating.
  - i) An intermediate small bank that receives an "outstanding" rating on one test and at least "satisfactory" on the other test may receive an assigned overall rating of "outstanding."
  - ii) A small bank that is not an intermediate small bank that meets each of the standards for a "satisfactory" rating under the lending test and exceeds some or all of those standards may warrant consideration for an overall rating of "outstanding." In assessing whether a bank's performance is "outstanding," the Secretary considers the extent to which the bank exceeds each of the performance standards for a "satisfactory" rating and its performance in making qualified investments and its performance in providing branches and other services and delivery systems that enhance credit availability in its assessment area.
- C) Needs to improve or substantial noncompliance overall ratings. A small bank may also receive a rating of "needs to improve" or "substantial noncompliance" depending on the degree to which its

performance has failed to meet the standards for a "satisfactory" rating.

e) Strategic plan assessment and rating.

- 1) Satisfactory goals. The Secretary approves as "satisfactory" measurable goals that adequately help to meet the credit needs of the bank's assessment area.
- 2) Outstanding goals. If the plan identifies a separate group of measurable goals that substantially exceed the levels approved as "satisfactory," the Secretary will approve those goals as "outstanding."
- 3) Rating. The Secretary assesses the performance of a bank operating under an approved plan to determine if the bank has met its plan goals:
  - A) If the bank substantially achieves its plan goals for a satisfactory rating, the Secretary will rate the bank's performance under the plan as "satisfactory."
  - B) If the bank exceeds its plan goals for a satisfactory rating and substantially achieves its plan goals for an outstanding rating, the Secretary will rate the bank's performance under the plan as "outstanding."
  - C) If the bank fails to meet substantially its plan goals for a satisfactory rating, the Secretary will rate the bank as either "needs to improve" or "substantial noncompliance," depending on the extent to which it falls short of its plan goals, unless the bank elected in its plan to be rated otherwise, as provided in Section 345.270(f)(4).

**Section 345.APPENDIX B ILCRA Notice**

- a) Notice for main offices and, if an interstate bank, one branch office in each state.

**Community Reinvestment Act Notice**

Under the Illinois Community Reinvestment Act (ILCRA), the Secretary of the Department of Financial and Professional Regulation (Secretary) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The Secretary also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the ILCRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent ILCRA Performance Evaluation, prepared by the Secretary; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the Secretary publishes a list of the banks that are scheduled for ILCRA examination in that quarter. This list is available from the Secretary at 320 West Washing Street, 3<sup>rd</sup> Floor Springfield, IL 62786 and 555 West Monroe Street, Suite 500 Chicago, IL 60661. You may send written comments about our performance in helping to meet community credit needs to (name and address of official at bank) and Secretary. You may also submit comments electronically through the Department's Web site at <https://idfpr.illinois.gov/Admin/CRA.asp>. Your letter, together with any response by us, will be considered by the Secretary in evaluating our ILCRA performance and may be made public.

You may ask to look at any comments received by the Secretary. You may also request from the Secretary an announcement of our applications covered by the ILCRA filed with the Secretary.

We are an affiliate of (name of holding company), a bank holding company. You may request from the (title of responsible official), Federal Reserve Bank of \_\_\_\_\_ (address) an announcement of applications covered by the ILCRA filed by bank holding companies.

- b) Notice for branch offices.

Illinois Community Reinvestment Act Notice

Under the Illinois Community Reinvestment Act (ILCRA), the Secretary evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The Secretary also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the ILCRA. You may review today the public section of our most recent ILCRA evaluation, prepared by the Secretary, and a list of services provided at this branch. You may also have access to the following additional information, which we will make available to you at this branch within five calendar days after you make a request to us:

- 1) a map showing the assessment area containing this branch, which is the area in which the Secretary evaluates our ILCRA performance in this community;
- 2) information about our branches in this assessment area;
- 3) a list of services we provide at those locations;
- 4) data on our lending performance in this assessment area; and
- 5) copies of all written comments received by us that specifically relate to our ILCRA performance in this assessment area, and any responses we have made to those comments. If we are operating under an approved strategic plan, you may also have access to a copy of the plan.

(If you would like to review information about our ILCRA performance in other communities served by us, the public file for our entire bank is available at (name of office located in state), located at (address).)

At least 30 days before the beginning of each quarter, the Secretary publishes a nationwide list of the banks that are scheduled for ILCRA examination in that quarter. This list is available from the Secretary (address). You may send written comments about our performance in helping to meet community credit needs to (name and address of official at bank) and the Secretary. You may also submit comments electronically through the Department's Web site at [web address]. Your letter, together with any response by us, will be considered by the Secretary in evaluating our ILCRA performance and may be made public.

2322 You may ask to look at any comments received by the Secretary. You may also request  
2323 from the Secretary an announcement of our applications covered by the ILCRA filed with  
2324 the Secretary. We are an affiliate of (name of holding company), a bank holding  
2325 company. You may request from the (title of responsible official), Federal Reserve Bank  
2326 of \_\_\_\_\_ (address) an announcement of applications covered by the ILCRA filed by  
2327 bank holding companies.